federal register

Thursday
August 6, 1981

Part II

Department of the Interior

Bureau of Land Management

Mid-Atlantic Outer Continental Shelf Proposed Oil and Gas Lease Sale No. 59

BILLING CODE: 4310-84

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management

Mid-Atlantic Outer Continental Shelf

Proposed Oil and Gas Lease Sale No. 59

With regard to oil and gas leasing on the Outer Continental Shelf (OCS), the Secretary of the Interior, pursuant to Sec. 19 of the OCS Lands Act, as amended, provides the affected States the opportunity to review the proposed sale notice. The following is a proposed sale notice for Sale No. 59 in the offshore waters of the Middle Atlantic States. This notice is hereby published as a matter of information to the public.

Robert F. Burford

Director, Bureau of Land Management
Robert F. Burford

Date: JUL 31 1981

Approved:

Donald Paul Hodel

Acting Secretary of the Interior
Donald Paul Hodel

1. Authority. This notice is published pursuant to the Outer Continental Shelf Lands Act of 1953 (43 U.S.C. 1331-1343), as amended, (92 Stat. 629), and the regulations issued thereunder (43 CFR Part 3300).

2. Filing of Bids. Sealed Bids will be received by the Manager, New York Outer Continental Shelf (OCS) Office, Bureau of Land Management, Jacob K. Javits Federal Building, 26 Federal Plaza, Suite 32-120, New York, New York 10278. Bids may be delivered either by mail or in person, to the above address until 4:30 p.m., e.s.t., December 7, 1981; or by personal delivery to Vista International New York, 3 World Trade Center, Nieuw Amsterdam Ballroom, New York, N.Y. 10048 between the hours of 8:30 a.m. e.s.t., and 9:30 a.m., e.s.t., December 8, 1981. Bids received by the Manager later than the times and dates specified above will be returned unopened to the bidders. Bids may not be modified or withdrawn unless written modification or withdrawal is received by the Manager prior to 9:30 a.m., e.s.t., December 8, 1981. All bids must be submitted and will be considered in accordance with applicable regulations, including 43 CFR Part 3300. The list of restricted joint bidders which applies to this sale will be published in 46 FR 1981.

3. Method of Bidding. A separate bid in a sealed envelope, labeled "Sealed Bid for Oil and Gas Lease (insert number of tract), not to be

opened until 10:00 a.m., e.s.t., December 8, 1981" must be submitted for each tract. A suggested form appears in 43 CFR Part 3300, Appendix A for bonus bid tracts. Bidders are advised that tract numbers are assigned solely for administrative purposes and are not the same as block numbers found on official protraction diagrams. All bids received shall be deemed submitted for a numbered tract. Bidders must submit with each bid one-fifth of the cash bonus, in cash or by cashier's check, bank draft, certified check, or money order, payable to the order of the Bureau of Land Management. No bid for less than a full tract as described in paragraph 12 will be considered. Bidders submitting joint bids must state on the bid form the proportionate interest of each participating bidder, as a percentage to a maximum of five decimal places, as well as submit a sworn statement that the bidder is not disqualified under 43 CFR Subpart 3316. The suggested form for this statement to be used in joint bids appears in 43 CFR Part 3300, Appendix B. Other documents may be required of bidders under 43 CFR 3316.4. Bidders are warned against violation of 18 U.S.C. 1860, prohibiting intimidation or unlawful combination of bidders.

4. Bidding Systems. All leases awarded for this sale will provide for a yearly rental payment of $8 per hectare or fraction thereof. The following systems will be utilized:

(a) Bonus Bidding with a Fixed Net Profit Share. Bids on tracts 59-106 through 59-110, 59-115 through 59-120, and 59-124 through 59-195 must be submitted on a cash bonus basis with a fixed net profit share rate of 30 percent and a capital recovery factor of 1.5. The net profit share payment shall be calculated according to the Department of Energy regulations in 10 CFR 390 (45 FR 36784, May 30, 1980).

(b) Bonus Bidding with a 16-2/3 Percent Royalty. Bids on tracts 59-1, 59-25, 59-62, and 59-222 must be submitted on a cash bonus basis with a fixed royalty of 16-2/3 percent. All leases awarded under this system will provide for a minimum annual royalty payment of $8 per hectare.

(c) Bonus Bidding with a 12-1/2 Percent Royalty. Bids on the remaining tracts to be offered at this sale must be submitted on a cash bonus basis with a fixed royalty of 12-1/2 percent. All leases awarded under this system will provide for a minimum annual royalty payment of $8 per hectare or fraction thereof.

5. Equal Opportunity. Each bidder must have submitted by 9:30 a.m., e.s.t., December 8, 1981, the certification required by 41 CFR 60-1.7(b) and Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, on the Compliance Report Certification Form, Form 1140-8 (November 1973), and the Affirmative Action Representation Form, Form 1140-7 (December 1971).

6. Bid Opening. Bids will be opened on December 8, 1981, beginning at 10:00 a.m., e.s.t., at the address stated in paragraph 2. The opening of the bids is for the sole purpose of publicly announcing and recording bids received, and no bids will be accepted or rejected at that time. If the Department is prohibited for any reason from opening any bid before midnight, December 8, 1981, that bid will be returned unopened to the bidder, as soon thereafter as possible.

7. Deposit of Payment. Any cash, cashier's checks, bank drafts, certified checks, or money orders, submitted with a bid may be deposited in a suspense account in the Treasury during the period the bids are being considered. Such a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

8. Withdrawal of Tracts. The United States reserves the right to withdraw any tract from this sale prior to issuance of a written acceptance of a bid for the tract.

9. Acceptance or Rejection of Bids. The United States reserves the right to reject any and all bids for any tract. In any case, no bid for any tract will be accepted and no lease for any tract will be awarded to any bidder unless:

(a) The bidder has complied with all requirements of this notice and applicable regulations;

(b) The bid is the highest valid bid; and

(c) The amount of the bid has been determined to be adequate by the Secretary of the Interior.

No bid will be considered for acceptance unless it provides for a cash bonus in the amount of $8 or more per hectare or fraction thereof.

10. Successful Bidders. Each person who has submitted a bid accepted by the Secretary of the Interior will be required to execute copies of the lease specified below, pay the balance of the cash bonus together with the first year's annual rental, and satisfy the bonding requirements of 43 CFR Subpart 3318 within the time provided in 43 CFR 3316.5.

11. Official Protraction Diagrams. Tracts offered for lease may be located on the following official protraction diagrams which are available from the Manager, New York Outer Continental Shelf Office at the address stated in paragraph 2, at a cost of $2.00 each.

(a) Outer Continental Shelf Official Protraction Diagram NJ 18-3 (Approved October 31, 1974).

(b) Outer Continental Shelf Official Protraction Diagram NJ 18-6 (Approved October 31, 1974).

(c) Outer Continental Shelf Official Protraction Diagram NJ 18-8, Chincoteague (Approved December 2, 1976).

(d) Outer Continental Shelf Official Protraction Diagram NJ 18-9, Baltimore Rise (Approved December 6, 1976).

12. Tract Descriptions.

Note: There may be gaps in the numbers of the tracts listed. Some of the blocks identified in the final environmental impact statement may not be included in this notice. Some of the blocks are included in prior environmental impact statements as well as the one for this sale.

The tracts offered for bids are as follows:

Tentative Tract List
Sale No. 59

OCS OFFICIAL PROTRACTION DIAGRAM, NJ 18-3
(Approved October 31, 1974)

Tract	Block	Description	Hectares
59-1	666	All	2304
59-2	689	All	2304
59-3	691	All	2304
59-4	693	All	2304
59-5	694	All	2304
59-6	733	All	2304
59-7	734	All	2304
59-8	735	All	2304
59-9	736	All	2304
59-10	737	All	2304
59-11	775	All	2304
59-12	776	All	2304
59-13	777	All	2304
59-14	778	All	2304
59-15	779	All	2304
59-16	780	All	2304
59-17	781	All	2304
59-18	818	All	2304
59-19	819	All	2304
59-20	820	All	2304
59-21	821	All	2304
59-22	822	All	2304
59-23	823	All	2304
59-24	824	All	2304
59-25	856	All	2304
59-26	862	All	2304
59-27	863	All	2304
59-28	864	All	2304
59-29	865	All	2304
59-30	866	All	2304
59-31	867	All	2304
59-32	904	All	2304
59-33	905	All	2304
59-34	906	All	2304
59-35	907	All	2304
59-36	908	All	2304
59-37	909	All	2304
59-38	910	All	2304
59-39	911	All	2304
59-40	948	All	2304
59-41	949	All	2304
59-42	950	All	2304
59-43	951	All	2304

OCS OFFICIAL PROTRACTION DIAGRAM, NJ 18-3 (continued)
(Approved October 31, 1974)

Tract	Block	Description	Hectares
59-44	952	All	2304
59-45	953	All	2304
59-46	954	All	2304
59-47	992	All	2304
59-48	991	All	2304
59-49	992	All	2304
59-50	993	All	2304
59-51	994	All	2304
59-52	995	All	2304
59-53	996	All	2304
59-54	997	All	2304

OCS OFFICIAL PROTRACTION DIAGRAM, NJ 18-6
(Approved October 31, 1974)

Tract	Block	Description	Hectares
59-55	22	All	2304
59-56	23	All	2304
59-57	24	All	2304
59-58	25	All	2304
59-59	26	All	2304
59-60	27	All	2304
59-61	28	All	2304
59-62	63	All	2304
59-63	65	All	2304
59-64	66	All	2304
59-65	67	All	2304
59-66	68	All	2304
59-67	69	All	2304
59-68	70	All	2304
59-69	71	All	2304
59-70	108	All	2304
59-71	109	All	2304

OCS OFFICIAL PROTRACTION DIAGRAM, NJ 18-6 (continued)
(Approved October 31, 1974)

Tract	Block	Description	Hectares
59-72	110	All	2304
59-73	111	All	2304
59-74	112	All	2304
59-75	113	All	2304
59-76	114	All	2304
59-77	152	All	2304
59-78	153	All	2304
59-79	154	All	2304
59-80	155	All	2304
59-81	156	All	2304
59-82	157	All	2304
59-83	194	All	2304
59-84	196	All	2304
59-85	197	All	2304
59-86	198	All	2304
59-87	199	All	2304
59-88	200	All	2304
59-89	235	All	2304
59-90	236	All	2304
59-91	237	All	2304
59-92	238	All	2304
59-93	239	All	2304
59-94	240	All	2304
59-95	241	All	2304
59-96	242	All	2304
59-97	243	All	2304
59-98	279	All	2304
59-99	280	All	2304
59-100	281	All	2304
59-101	282	All	2304
59-102	283	All	2304
59-103	284	All	2304
59-104	285	All	2304
59-105	286	All	2304
59-106	322	All	2304
59-107	323	All	2304
59-108	324	All	2304
59-109	325	All	2304
59-110	326	All	2304
59-111	327	All	2304
59-112	328	All	2304
59-113	329	All	2304
59-114	330	All	2304

OCS OFFICIAL PROTRACTION DIAGRAM, NJ 18-6 (continued)
(Approved October 31, 1974)

Tract	Block	Description	Hectares
59-115	365	All	2304
59-116	366	All	2304
59-117	367	All	2304
59-118	368	All	2304
59-119	369	All	2304
59-120	370	All	2304
59-121	371	All	2304
59-122	372	All	2304
59-123	373	All	2304
59-124	408	All	2304
59-125	409	All	2304
59-126	410	All	2304
59-127	411	All	2304
59-128	412	All	2304
59-129	413	All	2304
59-130	414	All	2304
59-131	415	All	2304
59-132	416	All	2304
59-133	417	All	2304
59-134	452	All	2304
59-135	453	All	2304
59-136	454	All	2304
59-137	455	All	2304
59-138	456	All	2304
59-139	457	All	2304
59-140	458	All	2304
59-141	459	All	2304
59-142	460	All	2304
59-143	496	All	2304
59-144	497	All	2304
59-145	498	All	2304
59-146	499	All	2304
59-147	500	All	2304
59-148	501	All	2304
59-149	502	All	2304
59-150	503	All	2304
59-151	540	All	2304
59-152	541	All	2304
59-153	542	All	2304
59-154	543	All	2304
59-155	544	All	2304
59-156	545	All	2304

OCS OFFICIAL PROTRACTION DIAGRAM, NJ 18-6 (continued)
(Approved October 31, 1974)

Tract	Block	Description	Hectares
59-157	546	All	2304
59-158	584	All	2304
59-159	585	All	2304
59-160	586	All	2304
59-161	587	All	2304.
59-162	588	All	2304
59-163	589	All	2304
59-164	627	All	2304
59-165	628	All	2304
59-166	629	All	2304
59-167	630	All	2304
59-168	631	All	2304
59-169	632	All	2304
59-170	669	All	2304
59-171	670	All	2304
59-172	671	All	2304
59-173	672	All	2304
59-174	673	All	2304
59-175	674	All	2304
59-176	712	All	2304
59-177	713	All	2304
59-178	714	All	2304
59-179	715	All	2304
59-180	716	All	2304
59-181	717	All	2304
59-182	755	All	2304
59-183	756	All	2304
59-184	757	All	2304
59-185	758	All	2304
59-186	759	All	2304
59-187	760	All	2304
59-188	761	All	2304
59-189	798	All	2304
59-190	799	All	2304
59-191	800	All	2304
59-192	801	All	2304
59-193	802	All	2304
59-194	803	All	2304
59-195	804	All	2304
59-196	841	All	2304
59-197	842	All	2304
59-198	843	All	2304

OCS OFFICIAL PROTRACTION DIAGRAM, NJ 18-6 (continued)
(Approved October 31, 1974)

Tract	Block	Description	Hectares
59-199	844	All	2304
59-200	845	All	2304
59-201	846	All	2304
59-202	883	All	2304
59-203	884	All	2304
59-204	885	All	2304
59-205	886	All	2304
59-206	887	All	2304
59-207	888	All	2304
59-208	889	All	2304
59-209	927	All	2304
59-210	928	All	2304
59-211	929	All	2304
59-212	930	All	2304
59-213	931	All	2304
59-214	932	All	2304
59-215	933	All	2304
59-216	971	All	2304
59-217	972	All	2304
59-218	973	All	2304
59-219	974	All	2304
59-220	975	All	2304
59-221	976	All	2304

OCS OFFICIAL PROTRACTION DIAGRAM, CHINCOTEAGUE NJ 18-8
(Approved December 2, 1976)

Tract	Block	Description	Hectares
59-222	41	All	2304
59-223	129	All	2304
59-224	216	All	2304
59-225	217	All	2304
59-226	260	All	2304
59-227	261	All	2304
59-228	304	All	2304
59-229	305	All	2304
59-230	347	All	2304
59-231	348	All	2304

OCS OFFICIAL PROTRACTION DIAGRAM, BALTIMORE RISE NJ 18-9
(Approved December 6, 1976)

Tract	Block	Description	Hectares
59-232	2	All	2304
59-233	3	All	2304
59-234	4	All	2304
59-235	5	All	2304
59-236	6	All	2304
59-237	45	All	2304
59-238	46	All	2304
59-239	47	All	2304
59-240	48	All	2304
59-241	49	All	2304
59-242	50	All	2304
59-243	89	All	2304
59-244	90	All	2304
59-245	91	All	2304
59-246	92	All	2304
59-247	93	All	2304
59-248	133	All	2304
59-249	134	All	2304
59-250	135	All	2304
59-251	136	All	2304
59-252	177	All	2304
59-253	178	All	2304

13. Lease Terms and Stipulations. Leases resulting from this sale for tracts 59-1, 59-2, 59-6, 59-25, 59-62, 59-89, 59-90, 59-98, 59-99, 59-106, 59-107, 59-115, 59-116, 59-124, 59-125, 59-134, 59-135, 59-222, and 59-223 will be for an initial term of 5 years. All other leases issued as a result of this sale will be for an initial term of 10 years. Leases issued as a result of this sale will be on Form 3300-1 (September 1978), available from the Manager, New York Outer Continental Shelf Office, at the first address stated in paragraph 2.

(a) For leases resulting from this sale for tracts offered on a cash bonus basis with a fixed net profit share, as listed in paragraph 4(a), Form 3300-1 will be amended as follows:

Sec. 4. Rentals. The phrase "which commences prior to a discovery in paying quantities of oil or gas on the leased area" is hereby deleted and replaced by "which commences prior to the date the first net profit share payment becomes due."

Sec. 5. Minimum Royalty. Hereby deleted.

Sec. 6. Royalty on Production. Hereby replaced by Net Profit Share. The lessee agrees to pay a net profit share rate of 30 percent with a 1.5 capital recovery factor, calculated pursuant to 10 CFR 390.

(b) Except as otherwise noted, the following stipulations will be included in each lease resulting from this proposed sale. In the following stipulations, the term DCMOFO refers to the U.S. Geological Survey Deputy Conservation Manager, Offshore Field Operations, and the term Manager refers to the Manager of the New York OCS Office of the Bureau of Land Management.

Stipulation No. 1

If the Deputy Conservation Manager, Offshore Field Operations (DCMOFO) has reason to believe that a site, structure, or object of historical or archeological significance (hereinafter referred to as "cultural resource") may exist in the lease area, and the DCMOFO gives the lessee written notice that the lessor is invoking the provisions of this stipulation, the lessee shall upon receipt of such notice comply with the following requirements.

Prior to any drilling activity or the construction or placement of any structure for exploration or development on the lease, including but not limited to, well drilling and pipeline and platform placement (hereinafter in this stipulation referred to as "operation"), the lessee shall conduct remote sensing surveys to determine the potential existence of any cultural resource that may be affected by such operations. All data produced by such remote sensing surveys as well as other pertinent natural and cultural environmental data shall be examined by a qualified marine survey archeologist to determine if indications are present suggesting the existence of a cultural resource that may be adversely affected by any lease operation. A report of this survey and assessment prepared by the marine survey archeologist shall be submitted by the lessee to the DCMOFO and to the Manager, New York OCS Office for review.

If such cultural resource indicators are present, the lessee shall: (1) locate the site of such operation so as not to adversely affect the identified location; or (2) establish, to the satisfaction of the DCMOFO, on the basis of further archeological investigation conducted by a qualified marine survey archeologist or underwater archeologist using such survey equipment and techniques as deemed necessary by the DCMOFO, either that such operation will not adversely affect the location identified or that the potential cultural resource suggested by the occurrence of the indicators does not exist.

A report of this investigation prepared by the marine survey archeologist or underwater archeologist shall be submitted to the DCMOFO and the Manager, New York OCS Office for their review. Should the DCMOFO determine that the existence of a cultural resource which may be adversely affected by such operation is sufficiently established to warrant protection, the lessee shall take no action that may result in an adverse effect on such cultural resource until the DCMOFO has given directions as to its preservation.

The lessee agrees that if any site, structure, or object of historical or archeological significance should be discovered during the conduct of any operations on the leased area, he shall report immediately such findings to the DCMOFO and make every reasonable effort to preserve and protect the cultural resource from damage until the DCMOFO has given directions as to its preservation.

Stipulation No. 2

If biological populations or habitats which may require additional protection are identified by the Deputy Conservation Manager, Offshore Field Operations (DCMOFO) in the leasing area, the DCMOFO will require the lessee to conduct environmental surveys or studies, including sampling, as approved by the DCMOFO, to determine existing environmental conditions, the extent and composition of biological populations or habitats, and the effects of proposed or existing operations on the populations or habitats which might require additional protective measures. The DCMOFO shall provide written notice to the lessee of his decision to require such surveys. The nature and extent of any surveys or studies will be determined by the DCMOFO on a case-by-case basis.

Based on any surveys or studies which the DCMOFO may require of the lessee, the DCMOFO may require the lessee to: (1) relocate the site of operations so as not to adversely affect the biological populations or habitats deserving protection; or (2) modify operations in such a way as not to adversely affect the biological populations or habitats deserving protection; or (3) establish to the satisfaction of the DCMOFO that such operations will not adversely affect the biological populations or habitats deserving protection.

Operations, including siting, must be conducted to insure the protection and continued viability of the biological populations or habitats deserving protection in a manner consistent with the other purposes of the Outer Continental Shelf Lands Act, as amended.

The lessee shall submit all data obtained in the course of such surveys to the DCMOFO, with the locational information for drilling or other activity. The lessee may take no action that might result in any effect on the biological populations or habitats surveyed, until the DCMOFO provides written directions to the lessee, with regard to permissible actions.

In the event that biological populations or habitats deserving protection are identified subsequent to commencement of operations, the lessee shall make every reasonable effort to preserve and protect all biological populations and habitats within the lease area, until the DCMOFO provides written instructions to the lessee with regard to the biological populations or habitats identified.

Stipulation No. 3

Pipelines will be required, (1) if pipeline rights-of-way can be determined and obtained, (2) if laying such pipelines is technically feasible and environmentally preferable, and (3) if, in the opinion of the lessor, pipelines can be laid without net social loss, taking into account any incremental costs of pipelines over alternative methods of transportation and any incremental benefits in the form of increased environmental protection or reduced multiple use conflicts. The lessor specifically reserves the right to require that any pipeline used for transporting production to shore be placed in certain designated management areas. In selecting the means of transportation, consideration will be given to any recommendation of the Intergovernmental Planning Program for Outer Continental Shelf Oil and Gas Leasing, Transportation and Related Facilities, with the participation of Federal and State governments, industry, and private interests. Where feasible and environmentally preferable, all pipelines, including both flow lines and gathering lines for oil and gas, shall be buried to a depth suitable for adequate protection from water currents, sand waves, storm scouring, fisheries trawling gear, and other factors as determined on a case-by-case basis.

Following the completion of pipeline installation, no crude oil production will be transported by surface vessel from offshore production sites, except in the case of emergency. Determinations as to emergency conditions and appropriate responses to these conditions will be made by the Deputy Conservation Manager, Offshore Field Operations. Where the three criteria set forth in the first sentence of this stipulation are not met and surface transportation must be employed, all vessels used for carrying hydrocarbons to shore from the leased area will conform with all applicable sections of Titles 33 and 46 of the U.S. Code and the regulations issued thereunder by the U.S. Coast Guard.

Stipulation No. 4

The Deputy Conservation Manager, Offshore Field Operations (DCMOFO) may require the lessee to dispose of drill cuttings and drilling muds by shunting the material to a depth and location below the ocean surface as specified by the DCMOFO, or by transporting the material to disposal sites approved and permitted by appropriate regulatory agencies. After consultation with the appropriate regulatory agencies, the DCMOFO shall determine the method of disposal based upon review of relevant sources of information.

Based upon the composition of produced formation waters the site-specific environmental conditions in a leasing area, and data from relevant sources, the DCMOFO may require the lessee to reinject formation waters. The DCMOFO shall provide written notice to the lessee of a decision to require reinjection of such formation waters.

Stipulation No. 5

(To be included only in leases resulting from this sale for tracts 59-4, 59-5, 59-10, 59-17, 59-32, 59-33, 59-40, 59-41, 59-42, 59-47 through 59-52, 59-55 through 59-169, 59-172 through 59-175, 59-180, 59-181, 59-202, 59-209, 59-210, 59-216, 59-217, 59-218, 59-222 through 59-253.)

(a) Whether or not compensation for such damage or injury might be due under a theory of strict liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occurs in, on, or above the Outer Continental Shelf, to any person or persons who are agents, employees, or invitees of the lessee, its agents, independent contractors or subcontractors doing business with the lessee in connection with any activities being performed by or on behalf of the lessee in, on, or above the Outer Continental Shelf, if such injury or damage to such person or property occurs by reason of the activities of any agency of the U.S. Government, its contractors or subcontractors, or any of their officers, agents, or employees being conducted as a part of, or in connection with, the programs and activities of the Commanding Officer, Fleet Area Control and Surveillance Facility, Virginia Capes OPAREA, Naval Air Station Oceana, Virginia Beach, Virginia. The lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees.

Notwithstanding any limitation of the lessee's liability in Sec. 14 of the lease, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, and to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation, whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, or subcontractors, or any of their officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

(b) The lessee, when operating or causing to be operated on its behalf, boat or aircraft traffic into the individual designated warning areas, shall enter into an agreement with the Commanding Officer, Fleet Area Control and Surveillance Facility, Virginia Capes OPAREA, Naval Air Station Oceana, Virginia Beach, Virginia, utilizing an individual designated warning area prior to commencing such traffic. Such agreement will provide for positive control of boats and aircraft operating into the warning areas at all times.

(c) The lessee agrees to control his own electromagnetic emissions and those of his agents, employees, invitees, independent contractors or subcontractors emanating from individual, designated defense warning areas in accordance with requirements specified by the Commanding Officer, Fleet Area Control and Surveillance Facility, Virginia Capes OPAREA, Naval Air Station Oceana, Virginia Beach, Virginia, to the degree necessary to prevent damage to, or unacceptable interference with Department of Defense flight, testing or operational activities conducted within individual designated warning areas.

Necessary monitoring, control, and coordination with the lessee, his agents, employees, invitees, independent contractors or subcontractors will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area, provided, however, that control of such electromagnetic emissions shall permit at least one continuous channel of communication between a lessee, its agents, employees, invitees, independent contractors or subcontractors and onshore facilities.

Stipulation No. 6

(To be included only in leases resulting from this sale for tracts 59-47 through 59-253.)

(a) Whether or not compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risk of damage or injury to persons or property, which occurs in, on, or above the Outer Continental Shelf, to any person or persons or to any property of any person or persons who are agents, employees, or invitees of the lessee, its agents, independent contractors or subcontractors doing business with the lessee in connection with any activities being performed by or on behalf of the lessee in, on, or above the Outer Continental Shelf, if such injury or damage to such person or property occurs by reason of the activities of any agency of the U.S. Government, its contractors or subcontractors, or any of their officers, agents, or employees being conducted as a part of, or in connection with, the programs and activities of the National Aeronautics and Space Administration (NASA), Wallops Flight Center. The lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees.

Notwithstanding any limitation of the lessee's liability in Sec. 14 of the lease, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, the agents, employees, or invitees of the lessee, its agents, or any independent contractors, or subcontractors doing business with the lessee in connection with the programs and activities of the NASA, Wallops Flight Center, whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, or subcontractors or any of their officers, agents, or employees, and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

(b) The lessee, when operating or causing to be operated on its behalf, boat, ship, or aircraft traffic into the leased area or surrounding area of the lease, including any part of the Outer Continental Shelf between the 35th and 39th parallels, shall enter into an agreement with the Director, Wallops Flight Center, prior to commencing such traffic. Such agreement shall provide for positive control of boats, ships, and aircraft operating in the above designated areas and will provide for the avoidance of interference with the programs and activities of the NASA Wallops Flight Center.

(c) Upon recommendation by the Director, Wallops Flight Center, when the activities of the NASA Wallops Flight Center may endanger personnel or property, the lessee agrees, upon receipt of notice from the Deputy Conservation Manager, Offshore Field Operations, (DCMOFO), to evacuate all personnel from all structures on the lease and to shut-in and secure all wells and other equipment, including pipelines on the lease, within forty-eight (48) hours or within such longer period as may be specified by the DCMOFO. The DCMOFO shall not require evacuation of personnel and shutting-in and securing of equipment for a period of time greater than seventy-two (72) hours; however, such period of time may be extended by subsequent notice from the DCMOFO. Equipment and structures may remain in place on the lease during such time as the evacuation remains in effect.

(d) The lessee agrees to control his own electromagnetic emissions and those of his agents, employees, invitees, independent contractors or subcontractors emanating from the leased area or surrounding area of the lease, including any part of the Outer Continental Shelf between the 35th and 39th parallels, in accordance with the requirements specified by the Director, Wallops Flight Center, to the degree necessary to prevent damage to, or unacceptable interference with, the programs and activities of the NASA, Wallops Flight Center. Necessary monitoring, control and coordination with the lessee, his agents, employees, invitees, independent contractors or subcontractors, will be effected by the Director, Wallops Flight Center, provided, however, that control of such electromagnetic communication shall in no instance prohibit all manner of electromagnetic communications during any period of time between a lessee, its agents, employees, invitees, independent contractors or subcontractors and onshore facilities.

Stipulation No. 7

(Leases for the following tracts will include this stipulation, which will apply only to operations within the designated portions of such tracts: 59-6, NW 1/4 SW 1/4, S 1/2 SE 1/4, NE 1/4 SE 1/4; 59-7, W 1/2 SW 1/4; 59-8, SW 1/4; 59-13, N 1/2 NE 1/4; 59-14, NW 1/4, W 1/2 NE 1/4, SE 1/4 NE 1/4; 59-15, SW 1/4 NW 1/4, N 1/2 SW 1/4, SE 1/4 NE 1/4, N 1/2 SE 1/4, SE 1/4 SE 1/4; 59-16, S 1/2 NW 1/4, W 1/2 SW 1/4; 59-17, SE 1/4, E 1/2 SW 1/4, SW 1/4 SW 1/4, S 1/2 NE 1/4, SE 1/4 NW 1/4; 59-21, SE 1/4 NW 1/4, NE 1/4 SW 1/4, SE 1/4 NE 1/4, N 1/2 SE 1/4; 59-22, NE 1/4 SW 1/4, SE 1/4 NW 1/4, NE 1/4, N 1/2 SE 1/4; 59-23, S 1/2 NW 1/4, NE 1/4 NW 1/4, N 1/2 SW 1/4, NE 1/4, SW 1/4 SE 1/4; 59-24, SE 1/4, SW 1/4, S 1/2 NE 1/4, S 1/2 NW 1/4; 59-28, SE 1/4 NE 1/4; 59-29, NW 1/4 NW 1/4, NW 1/4 NE 1/4, SE 1/4 NE 1/4, NE 1/4 SE 1/4; 59-30, W 1/2 NW 1/4, SE 1/4 NW 1/4, SW 1/4, W 1/2 SE 1/4; 59-31, SE 1/4 NW 1/4, NE 1/4 SW 1/4, S 1/2 NE 1/4, N 1/2 SE 1/4; 59-36, NW 1/4; 59-37, E 1/2 NE 1/4, S 1/2 SE 1/4; 59-38, W 1/2 NW 1/4, NE 1/4 NW 1/4, NE 1/4, SE 1/4, SE 1/4 SW 1/4; 59-39, S 1/2, S 1/2 NW 1/4, NW 1/4 NW 1/4, S 1/2 NE 1/4, NE 1/4 NE 1/4; 59-44 NE 1/4 SE 1/4; 59-45, NW 1/4 SW 1/4, SW 1/4 NW 1/4, NW 1/4 NE 1/4, S 1/2 NE 1/4, N 1/2 SE 1/4; 59-46, NW 1/4 SW 1/4, NE 1/4 NW 1/4, N 1/2 NE 1/4, SE 1/4 NE 1/4; 59-47, SW 1/4 NW 1/4, N 1/2 SW 1/4; 59-50, NE 1/4 SE 1/4; 59-51, SW 1/4, W 1/2 SE 1/4; 59-52, SE 1/4 SE 1/4; 59-55, E 1/2 NE 1/4; 59-56, S 1/2 NW 1/4, NW 1/4 NW 1/4, N 1/2 SW 1/4, W 1/2 SE 1/4; 59-59, N 1/2 NE 1/4, SE 1/4 NE 1/4; 59-61, SE 1/4 SE 1/4; 59-62, NE 1/4 SE 1/4; 59-70, SW 1/4 NE 1/4, NW 1/4 SE 1/4; 59-75, SE 1/4 SE 1/4; 59-76, SW 1/4 SW 1/4; 59-82, NE 1/4 NE 1/4; 59-85, N 1/2 SE 1/4, SW 1/4 SE 1/4; 59-114, N 1/2 SW 1/4, SW 1/4 SW 1/4; 59-123, NE 1/4 NE 1/4; 59-135, SE 1/4; 59-136, S 1/2 NW 1/4; 59-143, NE 1/4 SE 1/4; 59-144, NW 1/4, NW 1/4 NE 1/4, NW 1/4 SW 1/4; 59-157, S 1/2 SW 1/4, NE 1/4 SW 1/4; 59-164, N 1/2 NW 1/4; 59-191, SW 1/4 SE 1/4; 59-198, E 1/2 NW 1/4; 59-199, NW 1/4 NE 1/4; 59-201, N 1/2 NW 1/4, SW 1/4 NW 1/4, NE 1/4 SW 1/4, NW 1/4 SE 1/4; 59-207, SE 1/4 SE 1/4; 59-208, W 1/2 SW 1/4, NE 1/4 SW 1/4; 59-220, SW 1/4 SW 1/4; 59-228, SE 1/4 SE 1/4; 59-229, SW 1/4 SW 1/4; 59-231, E 1/2 NE 1/4, E 1/2 SE 1/4; 59-236, NE 1/4, SE 1/4, E 1/2 SW 1/4, S 1/2 NW 1/4; 59-241, SW 1/4 SE 1/4; 59-242, N 1/2 NE 1/4; 59-244, SE 1/4 SW 1/4; 59-247, NW 1/4 NE 1/4; 59-248, E 1/2 NE 1/4, NE 1/4 SE 1/4; 59-249, N 1/2, N 1/2 SW 1/4, NW 1/4 SE 1/4.)

Portions of this tract may be subject to unstable slopes or shallow faults, (mass movement of sediments). Exploratory drilling operations, emplacement of structures (platforms) or seafloor wellheads for production or storage of oil or gas, and the emplacement of pipelines will not be allowed within the potentially unstable portions of this lease block unless or until the lessee has demonstrated to the Deputy Conservation Manager's satisfaction that mass movement of sediment is unlikely or that exploratory drilling operations, structures (platforms), casing, wellheads, and pipelines can be safely designed to protect the environment in case such mass movement occurs at the proposed location. This may necessitate that all exploration for and development of oil or gas be performed from locations outside of the area of unstable sediments, either within or outside of this lease block.

If exploratory drilling operations are allowed, site-specific surveys shall be conducted to determine the potential for unstable bottom conditions. The extension of these surveys may be required outside of the leased block. If emplacement of structures (platforms) or seafloor wellheads for production or storage of oil or gas are allowed, all such unstable areas must be mapped. The Deputy Conservation Manager, Offshore Field Operations also may require soil testing before exploration and production operations are allowed.

Stipulation No. 8

(To be included only in leases resulting from this sale for tracts 59-60, 59-61, 59-69, 59-200, 59-201, 59-208, 59-215.)

If the Deputy Conservation Manager, Offshore Field Operations (DCMOFO) believes any undetonated explosives may exist in a leased tract, the lessee shall conduct surveys as specified by the DCMOFO to determine the location of any undetonated explosives. Upon completion of any such surveys, the lessee shall forward a report and all pertinent data to the DCMOFO for review. Should the DCMOFO determine that the existence of such devices may adversely affect any activity or operation, such as the construction or placement of any structure for exploration or development on the lease, the lessee shall take no action until the DCMOFO has given directions as to the conduct of that operation.

Stipulation No. 9

(To be included only in the leases resulting from this sale for the net profit share tracts listed in paragraph 4(a) of this notice.)

The net profit share payment specified in section 6 of this lease may be satisfied in whole or in part by the lessor taking production in amount (in kind) rather than in value. However, not more than the equivalent of 16-2/3 percent of the production saved, removed, or sold from the lease area may be taken in amount (in kind) as a net profit share payment, except as provided in Sec. 15(d). Any remaining net profit share payments due shall be calculated to include as a credit the value of production taken in kind by the lessor to satisfy part of the net profit share obligations of the lessee.

14. Information to Lessees.

(a) In the enforcement of Stipulation No. 2, the Deputy Conservation Manager, Offshore Field Operations (DCMOFO) will receive recommendations from the Biological Task Force (BTF) composed of designated representatives of the Bureau of Land Management, Fish and Wildlife Service, Geological Survey, the National Marine Fisheries Service, and the Environmental Protection Agency. The task force may consult with representatives of the affected States before making recommendations to the DCMOFO. It is intended that this BTF will remain in existence throughout the operating life of the field. The DCMOFO will consult with the BTF in identifying areas or resources of biological importance, on the conduct of the biological surveys by lessees, and on the appropriate course of action after the surveys have been conducted.

In a memorandum to the DCMOFO (April 9, 1980), the Biological Task Force identified submarine canyons as areas of biological concern for which it may recommend biological surveys or other monitoring programs. Lack of available "site-specific" information precludes the identification at this time of specific lease tracts for which such studies will or will not be recommemded. Based on information generated from on-going canyon studies and on the level of drilling activity at a given time, the Task Force will determine on a case-by-case basis whether or not to recommend biological studies or monitoring programs prior to or during exploration and/or production-related OCS operations in or adjacent to submarine canyons.

(b) Operations on some of the tracts offered for lease may be restricted by designation of fairways, precautionary zones, or traffic separation schemes established by the Coast Guard pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 et seq. . Corps of Engineers permits are required for construction of any artificial islands, installations and other devices permanently or temporarily attached to the seabed located on the Outer Continental Shelf in accordance with section 4(e) of the Outer Continental Shelf Lands Act of 1953, as amended.

(c) At least 20 days prior to moving a rig on-site, the lessee must notify the Chief, Marine and Wetlands Protection Branch, U.S. Environmental Protection Agency, Region II, 26 Federal Plaza, Suite 164, New York, NY 10278, in writing, stating on what date a rig is to be moved on-site.

This would apply to the lessees of the following tracts: 59-33, 59-34, 59-35, 59-36, 59-37, 59-38, 59-39, 59-41, 59-42, 59-43, 59-44, 59-45, 59-46, 59-50, 59-51, 59-52, 59-53, 59-54, 59-58, 59-59, 59-60, 59-61, 59-67, 59-68, 59-69, 59-75, 59-76, and 59-82.

(d) Bidders are advised that the Departments of the Interior and Transportation have entered into a Memorandum of Understanding dated May 6, 1976, concerning the design, installation, operation and maintenance of offshore pipelines. Bidders should consult both Departments for regulations applicable to offshore pipelines.

[FR Doc. 81-22841 Filed 8-5-81; 8:45 am]
BILLING CODE 4310-84-C

(e) Bidders are advised that in accordance with Sec. 16 of each lease offered at this sale, the lessor may require a lessee to operate under a unit, pooling or drilling agreement, and that the lessor will give particular consideration to requiring unitization in instances where one or more reservoirs underlie two or more leases with either a different royalty rate or a net profit share payment.

(f) Bidders are advised that the Department of Energy is authorized, under Section 302(b) and (c) of the Department of Energy Organization Act, to establish production rates for all Federal oil and gas leases.

(g) For those tracts listed in paragraph 13 above providing for leases with an initial period of more than five years, bidders are advised that pursuant to 30 CFR 250.34-1(a)(3), the lessee shall submit to USGS either an exploration plan or a general statement of exploration intentions prior to the end of the tenth lease year.

15. OCS Orders. Operations on all leases resulting from this sale will be conducted in accordance with the provisions of all Mid-Atlantic Orders, as of their effective date, and any other applicable OCS Order as it becomes effective.